

Referrals  
7/16/19

# INTERNAL OPERATIONS STANDING COMMITTEE



CITY OF DETROIT  
LAW DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 500  
DETROIT, MICHIGAN 48226-3423  
PHONE 313•224•4550  
FAX 313•224•5505  
WWW.DETROITMI.GOV

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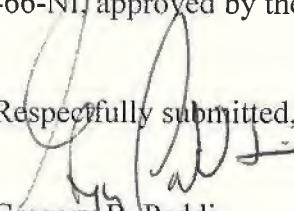
June 28, 2019

HONORABLE CITY COUNCIL

RE: *James Franklin v City of Detroit, et al*  
Case No.: 18-007466-NI  
File No.: L18-00439 (GBP)

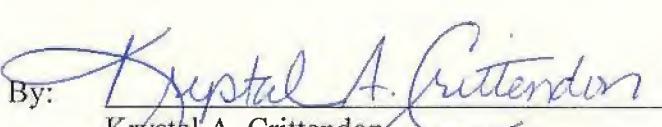
We have reviewed the above-captioned lawsuit, the facts and particulars of which are set forth in a confidential memorandum that is being separately hand-delivered to each member of Your Honorable Body. From this review, it is our considered opinion that a settlement in the amount of **Thirty Thousand Dollars and Zero Cents (\$30,000.00)** is in the best interest of the City of Detroit.

We, therefore, request authorization to settle this matter in the amount of **Thirty Thousand Dollars and Zero Cents (\$30,000.00)** and that Your Honorable Body direct the Finance Director to issue a draft in that amount payable to **James Franklin**, his attorneys, **Reifman Law Firm, PLLC**, and **Bristol West Preferred Insurance Company** (as lienholder), and **Relief Physical Therapy** (as lienholder) to be delivered upon receipt of properly executed Releases and Stipulation and Order of Dismissal entered in Lawsuit No.: 18-007466-NI approved by the Law Department.

Respectfully submitted,  
  
Gregory B. Paddison  
Assistant Corporation Counsel

APPROVED: JUL 08 2019

LAWRENCE GARCIA  
Corporation Counsel

By:   
Krystal A. Crittenden  
Supervising Assistant Corporation Counsel

Attachments

**RESOLUTION**

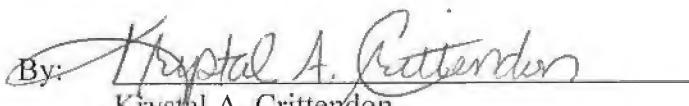
**BY COUNCIL MEMBER \_\_\_\_\_:**

**RESOLVED**, that settlement of the above matter be and is hereby authorized in the amount of **Thirty Thousand Dollars and Zero Cents (\$30,000.00)**; and be it further

**RESOLVED**, that the Finance Director be and is hereby authorized and directed to draw a warrant upon the proper account in favor of **James Franklin**, his attorneys, **Reifman Law Firm, PLLC**, and **Bristol West Preferred Insurance Company** (as lienholder), and **Relief Physical Therapy** (as lienholder) in the amount of **Thirty Thousand Dollars and Zero Cents (\$30,000.00)** in full payment for any and all claims which **James Franklin** may have against the City of Detroit by reason of alleged injuries sustained when the DOT coach on which he was a passenger struck a Parking Enforcement Vehicle, on or about **July 27, 2017**, and that said amount be paid upon receipt of properly executed Releases and Stipulation and Order of Dismissal entered in Lawsuit 18-007466-NI, approved by the Law Department.

**APPROVED:**

LAWRENCE GARCIA  
Corporation Counsel

By:   
Krystal A. Crittenden  
Supervising Assistant Corporation Counsel



CITY OF DETROIT  
LAW DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 500  
DETROIT, MICHIGAN 48226-2117  
PHONE 313•224•4550  
FAX 313•224•5505  
WWW.DETROITMI.GOV

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July 9, 2019

HONORABLE CITY COUNCIL

RE: **SEAN LOCKETT v. CITY OF DETROIT, et al**  
**CASE NO. 19-10138**  
**FILE NO. L19-00047 (MA)**

We have reviewed the above-captioned lawsuit, the facts and particulars of which are set forth in a confidential memorandum that is being separately hand-delivered to each member of Your Honorable Body. From this review, it is our considered opinion that a settlement in the amount of **Seventeen Thousand Five Hundred Dollars and No Cents (\$17,500.00)** is in the best interest of the City of Detroit.

We, therefore, request authorization to settle this matter in the amount of **Seventeen Thousand Five Hundred Dollars and No Cents (\$17,500.00)** and that Your Honorable Body direct the Finance Director to issue a draft in that amount payable to **Sean Lockett and his attorney Law Office of Matthew S. Kolodziejksi, PLLC**, to be delivered upon receipt of a properly executed Release and Order of Dismissal entered in Case No. 19-10138, approved by the Law Department.

Respectfully submitted,

Michael L. Auten

MICHAEL L. AUTEN (P81884)  
Assistant Corporation Counsel

APPROVED: JUL 10 2019

LAWRENCE T. GARCIA  
Corporation Counsel

BY: \_\_\_\_\_  
James D. Noseda  
Supervising Assistant Corporation Counsel

CITY CLERK 2029 JUL 10 PM 10:55

**RESOLUTION**

BY COUNCIL MEMBER \_\_\_\_\_:

**RESOLVED**, that settlement of the above matter be and is hereby authorized in the amount of **Seventeen Thousand Five Hundred Dollars and No Cents (\$17,500.00)**; and be it further

**RESOLVED**, that the Finance Director be and is hereby authorized and directed to draw a warrant upon the proper account in favor of **Sean Lockett and his attorney Law Office of Matthew S. Kolodziejski, PLLC**, in the amount of **Seventeen Thousand Five Hundred Dollars and No Cents (\$17,500.00)** in full payment for any and all claims which **Sean Lockett** may have against the City of Detroit and any City of Detroit employees by reason of alleged injuries or property damage sustained by **Sean Lockett** on or about **October 11, 2018** as otherwise set forth in Case No.19-10138 in the United States District Court for the Eastern District of Michigan, and that said amount be paid upon receipt of properly executed Releases and Order of Dismissal entered in Case No. 19-10138, approved by the Law Department.

**APPROVED:**

LAWRENCE T. GARCIA

Corporation Counsel

BY: \_\_\_\_\_

James D. Noseda  
Supervising Assistant Corporation Counsel

Approved by City Council: \_\_\_\_\_

Approved by the Mayor: \_\_\_\_\_

# City of Detroit Office of Inspector General

## DETROIT CITY COUNCIL DEBARMENT APPEAL HEARINGS

Monday, July 15, 2019

### OIG SUMMARY POSITION



Ellen Ha, ESQ.

INSPECTOR GENERAL

**Debarment Appellants:**

Parimal (Perry) Mehta

FutureNet Group, Inc.



The standard of City Council's review in these debarment appeal hearings is "abuse of discretion." Merriam-Webster defines "abuse of discretion" as "a ruling that is clearly unreasonable, erroneous, or arbitrary and not justified by the facts or the law . . ." It is the position of the Office of the Inspector General (OIG) that it has not abused its discretion on the debarments of Parimal (Perry) Mehta and FutureNet Group, Inc. (FutureNet). Moreover, the length of debarment for each appellant is within the guidelines provided under the City's Debarment Ordinance. Therefore, we urge this honorable body **to affirm** the OIG's final decisions on these matters.

**Appellants, Perry Mehta and FutureNet Do Not Contest the OIG's Findings**

Perry Mehta and FutureNet, through their attorney Steve Fishman, state in their letter to Detroit City Council, dated June 27, 2019, that they concur with the OIG's findings as reported in the OIG's report dated June 7, 2019. Specifically, Mr. Fishman states that his arguments on behalf of Perry Mehta and FutureNet "are accurately summarized in the OIG report. I adopt those arguments and incorporate them by reference for purposes of this appeal."

Based on Mr. Fishman's letter to Council, his primary argument for FutureNet is based on the OIG's Final Recommendation of Debarment of Computech for ten (10) years which became the City's Final Decision when Computech elected not to appeal the OIG's final recommendation. While Charles Dodd, former DoIT's Deputy Director, engaged in bribery with both Computech and FutureNet, the reasons for the reduced years of debarment for Computech (10 years) is clearly outlined in the OIG's report dated May 7, 2019. Likewise, the OIG's justification of increased years of debarment for FutureNet (15 years) is clearly outlined in the OIG's report dated June 7, 2019.

While debarment serves as a punishment for individuals and companies for their misconduct, in determining the length of the debarment, we take into consideration the level of

cooperation with the OIG's investigations and remedial action(s) taken to prevent future misconduct after the individuals were made aware of the illegal conduct. Computech, in response to Ram Kancharla (former CEO of Computech)'s guilty plea, took immediate remedial action to supplement the company's policy and procedures to ensure that its executives and employees do not engage in criminal conduct of bribery in the future. In addition, Computech provided the OIG with evidence of training its employees pertaining to the same.

FutureNet took similar remedial actions to prevent future wrongdoing. However, these actions were not taken on FutureNet's own initiative. The changes were made as a condition of an Administrative Agreement between the United States Department of Justice (DOJ) and FutureNet dated April 17, 2017. Therefore, FutureNet changed its policy and procedures only when they were required to do so by the DOJ so that FutureNet could become eligible to bid on future federal contracts after their federal debarment ended.

### **Conclusion**

Debarment serves not only as a punishment of wrongdoings by contractors, but also as a warning to other contractors who wish to bid or remain on City contracts. Every time we issue a debarment, it sends a message to the community that the City will conduct its business only with those who are honest and have integrity; and that the City we will not tolerate abuse, waste, fraud or corruption.

In determining the length of debarment, we take into consideration whether the individuals and/or companies take full responsibility of their misconduct and cooperate with our investigation. In addition, we distinguish those who act on their own volition to rectify the wrong and take appropriate and necessary remedial actions to prevent future wrong doings.

While punishment and deterrence serve their intended purposes, we also believe redemption is important. Those contractors who recognize and take responsibility of the

wrongdoings and take remedial actions to prevent future wrongdoings are rewarded by lessening the years of debarment. After all, the purpose of debarment is to ensure that the City does business with responsible contractors only. Regaining the public's trust and respect in how we govern the City is by far more important than the appellants' desire to conduct business as usual. Wherefore, we respectfully request that this honorable body **affirm** the OIG's final decisions.

Respectfully submitted by:



Ellen Ha  
City of Detroit Inspector General

Dated: July 8, 2019